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PRODUCERS 88 (4-89) -- PAID UP
WITH 640 ACRES POOLING PROVISION

8POUND PRINTING COMPANY
P.O. BOX 683046, HOUSTON, TEXAS 77268-3046 (713) 552-9797

PAID UP OIL AND GAS LEASE

SB KB

THIS LEASE AGREEMENT is made as of the 20th day of December, 2008, between **Scott Bradley and Kelly Pace Bradley**, husband and wife, as Lessor (whether one or more), whose address is One Paigebrook Westlake, TX 76262 and **Hillwood Energy Texas, L.P.**, as Lessee, whose address is 13600 Heritage Parkway, Suite 200, Fort Worth, TX 76177. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Tract 1: Being 57.6497 acres, more or less, out of the Jessie Gibson Survey, Abstract No. 592, Tarrant County, Texas and being more particularly described in those certain Warranty Deeds recorded as Instrument #D198258492 from Ruth Sharpless, et al, on 11-5-1998; and Instrument #D198258490 from Ruth Sharpless, et al, on 11-5-1998; and Instrument # D198295227 from Dwayne Mayhan, on 12-17-1998 all of the Deed Records of Tarrant County, Texas.

Less and Except: 28.348 acres, more or less, described in Instrument #D200000829 to the Town of Westlake on 1-3-2000; Instrument #D201126184 to Kenneth Rogers, et ux, on 6-5-2001; and Instrument #D207122933 to Kenneth Rogers, et ux, on 4-10-2007 in the Deed Records of Tarrant County, Texas, leaving a balance of 29.3017 acres, more or less.

Tract 2: being 1.926 acres, more or less, described as Tract 9 of the Carpenter Addition, a subdivision in Tarrant County, Texas, according to the Map or Plat thereof recorded in Volume 388-120, Page 90, Plat Records, Tarrant County, Texas

in the county of Tarrant, State of Texas, containing 31.2277 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith (subject to the limitation on surface access hereinafter provided). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of **Three (3)** years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be **One-Fourth (1/4)** of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be **One-Fourth (1/4)** of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of

producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at Lessor's address as stated above, or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the U.S. Mail in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments. *SP KB*

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to

the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized therewith, in primary and/or enhanced recovery, Lessee shall not have the right of ingress and egress except to conduct geophysical operations

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

IN WITNESS WHEREOF, this lease is executed by Lessor on the date set forth in the certificate of acknowledgment below, but shall be effective as of the date first above written.

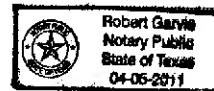
SEE ADDENDUM ATTACHED HERETO AND INCORPORATED HEREIN FOR ADDITIONAL PROVISIONS

Kelly Pace Bradley

Fred Bradley

Scott Bradley

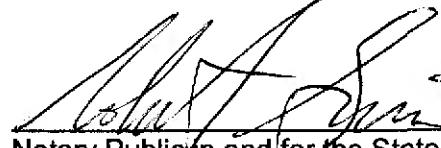
Kelly Pace Bradley



STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on this the 20th day of December, 2008, by Scott Bradley and Kelly Pace Bradley, his wife.



Notary Public in and for the State of Texas

Please Return to:

Hillwood Energy Texas, L.P.
13600 Heritage Parkway, Suite 200
Fort Worth, TX 76177

HJ-C-0583

ADDENDUM "A"
Additional Lease Provisions

Paid-Up Oil and Gas Lease (No-Drill)

By and Between

SCOTT BRADLEY AND KELLY PACE BRADLEY (Lessor)
and
HILLWOOD ENERGY TEXAS, L.P. (Lessee)

Dated: December 20, 2008

- 1) **CONFLICTS.** In the event of a conflict between any of the terms and provisions contained in this ADDENDUM "A" and the other terms and provisions of the Lease, the terms and provisions contained in this ADDENDUM "A" shall control.
- 2) **HORIZONTAL COMPLETION.** The term "horizontal completion" or "horizontal well" means a well in which the horizontal displacement of the gross completion interval exceeds the minimum distance prescribed and/or permitted by TRC Statewide Rule 86.
- 3) **MINERALS.** This Lease shall cover all petroleum and natural gas and related hydrocarbons which can be produced through the bore of a well. All other minerals, including any that require surface production, are expressly reserved. Lessee shall have no rights to water in, on, or under lands of Lessor.
- 4) **ACREAGE.** For purposes of determining bonuses, royalties and other payments due pursuant hereto, acreage shall include the acreage owned by Lessor, including all strips or gores or other contiguous lands owned by Lessor, and to the center of all roads except to the extent owned by another party.
- 5) **ASSIGNMENT.** Lessee may assign its rights under this Lease in whole or in part without obtaining Lessor's prior written consent. Lessee will provide Lessor with a complete recorded copy of all assignments upon Lessor's written request.
- 6) **DELAY (FORCE MAJEURE).** No delay pursuant to the Lease greater than thirty (30) days shall operate to relieve Lessee of any obligation pursuant to the Lease unless Lessee shall provide written notice to Lessor of the occurrence of such event of actual delay within forty five (45) days thereof specifying the type and estimated number of days of actual delay caused by such event together with such additional information to support such claim as shall be reasonably required by Lessor. Failure to secure permits shall not be considered a cause of force majeure unless Lessee has applied for and diligently sought such permits.
- 7) **EQUITABLE TITLE.** The receipt by Lessee from a purchaser or a pipeline company of proceeds of production for distribution to Lessor will not result in Lessee acquiring legal or equitable title to those proceeds, but Lessee will at all times hold the proceeds in trust for the benefit of Lessor.
- 8) **INDEMNIFICATION.** Lessee agrees to reimburse and to indemnify, to defend and hold Lessor, its successors or assigns, harmless from and against any and all claims, demands, causes of action, liability, loss, damage or expense of every kind and nature, including but not limited to, attorneys' fees and costs, which are caused (in whole or in part) by or arising out of the negligence of Lessee, its employees, agents, contractors, contractor's employees, invitees or guests, environmental damage, violation of laws or breach of any term, covenant or condition of this Lease, arising out of or relating to

exploration, development and/or production activities conducted pursuant to the provisions of this lease.

- 9) **NO WAIVER**. Acceptance by Lessor of royalties that are past due shall not act as a waiver or estoppel of its right to receive interest due thereon unless Lessor expressly so provides in writing signed by Lessor.
- 10) **POOLING**. Lessor grants to Lessee the right to pool, unitize, or combined all or parts of the Leased Premises with other lands, at a time before or after drilling to create vertical and/or horizontal drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessee may, upon written notice to Lessor, combine the Leased Premises into a newly constituted or reconstituted pool or unit and release same simultaneously from a previously designated pool so long as no well has yet been drilled.
- 11) **DEDUCTIONS FOR TAXES AND POST PRODUCTION COSTS**. Lessor's royalty may not be charged, directly or indirectly, with any of the expenses of production, gathering, dehydration, compression, transportation, processing, treating, or marketing the oil and gas produced from the Leased Premises incurred prior to delivery of production off the Leased Premises to an third party unaffiliated to Lessee or with any of those expenses charged by an affiliate of Lessee after the point of delivery of the first sale, and all of those expenses shall be considered costs of production and not post production costs. It is the intent of the parties that the provisions hereof are to be fully effective and enforceable and are not to be construed as "surplusage".
- 12) **RELEASE OF LEASE**. Upon Lessor's written request at the expiration or termination of this Lease pursuant to the terms hereof, Lessee will provide Lessor with a recorded copy of a release of this Lease.
- 13) **ROYALTIES**. Royalties to be paid to Lessor shall be paid at the market value (as defined below) of twenty five percent (25%) of the oil and gas and other hydrocarbons that are produced, used, vented or flared from any well(s), (except with respect to gas vented or flared as a result of attaining first production or in event of emergency). Accounting and payment to Lessor of royalties from the production of any well(s) shall commence no later than ninety (90) days after the first sales date from the well(s). Thereafter all accountings and payments of royalties shall be made on or before the last day of the calendar month following the calendar month in which the sales occurred. Should any royalty payable hereunder not be paid within ninety (90) days following written notice by Lessor to Lessee of the failure, such amount shall bear interest at the maximum rate allowed by law but such failure shall not result in termination of this Lease. Acceptance by Lessor of past due royalties shall not waive the right of Lessor to claim and receive interest due. As used herein, "market value" means the actual proceeds received by Lessee at the point of sale to the first unaffiliated third party. As used herein, "affiliate" means (i) a corporation, joint venture, partnership or other entity that owns more than ten percent (10%) of the outstanding voting interest of Lessee or in which Lessee owns more than ten percent (10%) of the outstanding voting interest; or (ii) a corporation, joint venture, partnership or other entity in which, together with Lessee more than ten percent (10%) of the outstanding voting interest of both the Lessee and the other corporation, joint venture partnership or other entity is owned or controlled by the same person or group of persons. All payments made shall be to an institution directed by Lessor, or check, unless otherwise agreed by Lessor. Lessor shall have the right to change method of payment at any time, or from time to time, upon prior written notice to Lessee of not less than ninety (90) days.

- 14) **SHUT IN CLAUSE.** A gas well under this clause shall be a well with production casing landed and cemented therein. Shut-in royalty payments shall be \$100 per acre. After expiration of the Primary Term of this Lease, in no event shall any shut-in well payment maintain this lease in force as to the acreage allocated to the well for a period to exceed two (2) consecutive years beyond expiration of the Primary Term.
- 15) **WARRANTY.** Lessor warrants title hereunder by, through or under Lessor alone and not otherwise.
- 16) **NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.** Lessor agrees to allow Lessee written notice of not less than forty five (45) days of any default pursuant to the terms hereof prior to declaring a default. If such default is cured within such period, there shall be no default hereunder. There shall be no notice or opportunity to cure default once judicial or related proceedings have been instituted unless payment of all costs and reasonable attorneys' fees shall also be paid by Lessee at the time of cure.
- 17) **NOTICES.** All notices required under this Lease must be given by certified or registered mail, addressed to the proper party, at the addresses set forth hereinabove. Any notice required by this Lease shall be deemed given upon receipt by the receiving party. Any party may change the address to which notices are to be sent by sending written notice of the new address to the other parties in accordance with the provisions of this paragraph.
- 18) **ATTORNEYS FEES.** If, litigation is instituted to enforce a breach of this Lease, the prevailing party in such action shall be entitled to receive reasonable attorneys' fees and costs as awarded by the court.
- 19) **SUBORDINATION.** Lessee agrees that it shall not require subordination, partial release of lien, release of lien, consent or other documentation from any lien holder of Lessor as a condition to Lessor receiving the agreed payments hereunder. Lessor and Lessee shall cooperate in all reasonable efforts to obtain subordination to the extent required by any such lien holder and Lessee agrees to pay the costs thereof to a maximum of \$250.00 and Lessor agrees to pay any costs incurred over \$250.00.
- 20) **FENCE.** In the event Lessee or its agents or assigns conducts any exploration, drilling, or gas production activities on the Joseph Bonola tract which adjoins the respective properties of Lessor and Kenneth Scott Rogers (Rogers), Lessee must construct and maintain on the Bonola site sufficient fencing and/or landscape vegetation to obscure the operations on that site from the view of Lessor's residence and Rogers' residence, respectively. All fencing used to screen the view from Lessor's and Rogers' respective properties must be of the same style, materials and workmanship as employed in the construction of the rock fence around the exterior of the Vaquero development in Westlake.
- 21) **OPTION TO EXTEND PRIMARY TERM.** Lessee is hereby given the option to extend the primary term of the lease for an additional two (2) years from the expiration of the original primary term hereof. This option may be exercised by Lessee at any time during the original primary term by paying the sum of Three Thousand Six Hundred Fifty and No/100 dollars (\$3,650.00) per acre to Lessor. This payment shall be based upon the number of net mineral acres then covered by this lease and not at such time being maintained by other provisions hereof. This payment may be made by the check of Lessee mailed or delivered to Lessor at the above address. If at the time such payment is made, various parties are entitled to specific amounts according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.

ADDENDUM A TO OIL AND GAS LEASE

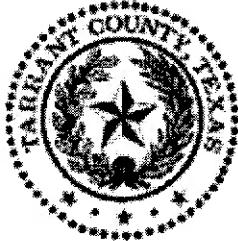
INITIALED BY LESSOR(S): SB JB

Page 4 of 4

Please Return to:

Hillwood Energy Texas, L.P.
13600 Heritage Parkway, Suite 200
Fort Worth, TX 76177

HJ-C-0583



HILLWOOD ENERGY TEXAS LP
13600 HERITAGE PKWY # 200

FT WORTH TX 76177

Submitter: JEFFREY M LANDRY

SUZANNE HENDERSON
TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 05/04/2009 12:31 PM
Instrument #: D209117768
LSE 9 PGS \$44.00

By: _____



D209117768

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE
OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR
RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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